



# FUNDING OUR FUTURE

Kentucky Postsecondary Education  
2008-10 Biennial Budget Request

KENTUCKY COUNCIL ON  
POSTSECONDARY EDUCATION



# 2008-10 Budget Recommendation

## Distribution of requested new funds (in millions)

This chart organizes the Council's budget recommendation for General Fund support by functional categories rather than by appropriation unit. It is intended to display the alignment of requested resources with the Commonwealth's postsecondary education goals.

Recurring funds		
Base funding for core services	2008-09	2009-10
Colleges and universities		
Inflationary base adjustment	\$36.0	recurring + \$38.3
Capital renewal (to be matched)	\$5.0	recurring
Maintenance and operation of new facilities	\$7.9	recurring + \$18.4
Adult education		
Inflationary base adjustment	\$2.0	recurring + \$2.0
Council on Postsecondary Education		
Base operations	\$1.6	recurring + \$.6
Pass-through programs	\$1.3	recurring + \$.2
Double the Numbers strategic investments		
Double the Numbers degree fund	\$5.0	recurring + \$15.0
Developmental education funds		
Institutional programming and infrastructure	\$5.5	recurring + \$3.0
Statewide programming	\$1.8	recurring
Statewide priorities fund	\$15.0	recurring + \$10.0
Access initiatives		
KCTCS tuition freeze	\$7.5	recurring + \$7.5
College access outreach initiative	\$3.0	recurring
Transfer strategies	\$1.5	recurring
Local P-16 councils	\$1.5	recurring
Diversity planning	\$.3	recurring
Science, technology, engineering, and mathematics (STEM)		
STEM coordination and incentive funding	\$5.0	recurring
P-16 engineering pipeline	\$1.5	recurring
New Economy funding	\$3.5	recurring
Information and technology initiatives		
Kentucky Postsecondary Education Network (KPEN)	\$1.2	recurring
Kentucky Virtual Library electronic databases	\$.5	recurring
Learning content repository	\$.9	recurring
Nonrecurring funds		
Bucks for Brains (Endowment Match Program)		\$200.0
Capital		
Renewal and maintenance pool		\$90.0
Space adequacy and renovations		\$161.8
Educational and general facilities and postsecondary centers		\$312.9
Research and economic development		\$185.0
Information technology pool		\$50.0
Summary of requested recurring and nonrecurring funds*		
Institutions	\$82.0	recurring + \$92.1
Systemwide	\$25.6	recurring + \$2.8
Bucks for Brains		\$200.0
Capital		\$799.7

\*Does not include adjustments for current debt outstanding or UofL Hospital contract



## The objectives of the budget recommendation are

To introduce a <b>new funding approach</b>	page 4
To accelerate the <b>Double the Numbers goal</b>	page 7
To provide needed <b>developmental education</b>	page 8
To promote <b>statewide priorities</b>	page 9
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To ensure <b>college access and affordability</b>	page 12
To maintain <b>current operations and services</b>	page 13
To provide adequate <b>space for more students</b>	page 14
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# A new funding approach

Our budget request signals a new direction in financing postsecondary and adult education in Kentucky. It is goal-driven, strategically focused, and forms a tighter contract between our colleges and universities and the people of the Commonwealth.

It advances a unified set of statewide priorities while recognizing and supporting regional and institutional differences. It will ensure a strong return on the state's financial investment.

## A new model

In the ten years since the adoption of the *Postsecondary Education Improvement Act of 1997* (House Bill 1), we have based our budget requests on a model called 'benchmark funding,' a comparative process that relies on financial data from institutions outside Kentucky.

The Council concluded that this approach is insufficiently responsive to Kentucky's unique challenges, needs, and opportunities. We devised a new model designed to advance the specific goals set forth in House Bill 1: higher educational attainment, nationally prominent research institutions, comprehensive universities with national programs of distinction, and an integrated community and technical college system.

## Focusing on outcomes rather than inputs

Our new model also reorients the conversation about the relationship between state investment and the performance of our postsecondary system. Past budgets primarily have focused on 'inputs'— the number of

enrolled students and the impact of student enrollment on faculty, services, and facilities.

This funding request encourages and measures institutional and student performance to encourage the desired 'outcomes'— that our students will not only successfully enter the world of postsecondary education, but they will also exit that world successfully in a reasonable amount of time.

## A high return on investment

The single factor with the greatest power to explain the disparity in per capita income between one state and another is the percentage of a state's residents who are college graduates. That was the principal conclusion of a study by the Milken Institute in 2002.

The conclusion results directly from the fact that college graduates earn, on average, about a million dollars more during their working careers than those with only high school diplomas. In Kentucky, that translates to \$16,000 more per year.

For policymakers, the message is clear: the quickest and most cost-effective way to improve the lives of Kentucky's people is to increase the number of college graduates who live and work within our borders. Support for postsecondary and adult education thus represents a high-return, long-term investment.

# Six goals of House Bill 1

1. A seamless, integrated postsecondary system strategically planned and adequately funded to enhance economic prosperity.
2. UK to become a Top 20 public research university.
3. UofL to become a premier metropolitan research university.
4. Regional universities to have at least one nationally recognized program of distinction or applied research program and provide access to quality bachelor's and master's degrees.
5. Integrated community and technical college system to ensure college access, transfer, and workforce development.
6. An efficient, responsive, and coordinated system that delivers educational services to all adults in quantities and quality comparative to the national average.

## Aligning state funds with state goals

The key insight of House Bill 1 was that economic prosperity will be achieved only through increased educational attainment. The percent of Kentuckians with bachelor's degrees is improving, but we continue to trail most of the country on this key indicator of progress.

The Council has determined that to reach the national average in educational attainment by 2020 Kentucky must Double the Number of Kentuckians with bachelor's degrees, from 400,000 in 2000 to 800,000 in 2020.

The achievement of that goal is the unifying objective of our budget recommendation. We realize that it cannot be achieved without adequate and sustained resources.

To achieve that goal, the Council has proposed, among other things, the Double the Numbers degree fund. This fund will provide incentives to Kentucky colleges and universities for increasing the number of college graduates.

Without mandating any particular program or approach, the Double the Numbers Fund will motivate our public colleges to create effective strategies for improving retention and graduation.

## Essential funding for the 2020 goals

Our budget request will improve student access and affordability, and increase accountability and transparency. It supports and rewards a systemwide focus on state priorities such as developmental education, STEM programs, regional stewardship, research and academic excellence, and access and affordability.

For each of these areas, our budget request seeks a clearly articulated agreement between the state and institutions with respect to the programs that will advance the state's objectives.

Kentucky's challenges are real and they are significant. We have only thirteen years—six biennial budget cycles—in which to achieve our 2020 goals.

The adequacy and structure of the Council's funding request represents the most feasible, certain and cost-effective method of maintaining reliable progress toward a higher standard of living and better quality of life for all Kentuckians.





# Budget request highlights

- The Council's budget recommendation for 2008-10 is an aggressive first step of six biennial budget increases needed to achieve reform goals by 2020.
- The request is focused on improving the lives and livelihoods of all Kentuckians by increasing access to postsecondary education, doubling the number of college graduates in the state, and promoting research, economic growth, and community development.
- The development of the Council's budget request has been an 18-month collaborative process involving Council members, institutional presidents, chief budget officers, chief academic officers, and state policy makers.
- The Council requests \$1.3 billion for public colleges and universities in 2009-10, an increase to the institutions of \$174 million (16 percent) over the biennium. This includes \$82 million in 2008-09 and an additional \$92 million in 2009-10 (includes Double the Numbers degree fund).
- The Council also requests \$200 million for a fourth round of funding for Bucks for Brains. This highly successful Endowment Match Program attracts high-quality faculty to Kentucky and promotes private investment in public postsecondary education.
- The total postsecondary education General Fund request— which includes operating funding for public institutions, Kentucky Adult Education, Council operations, strategic trust funds, pass-through programs— is \$1.35 billion, an increase of \$224 million over the biennium.
- Tuition and fee revenue estimates of \$174 million in 2008-09 and \$184 million informed the Council's budget recommendation. These estimates do not reflect significant tuition discounts provided by the institutions and are based upon a combination of enrollment growth across the system and tuition rate increases at Kentucky's public four-year universities. The Council will not take action to determine tuition parameters until spring 2008.
- The return on this investment to the state will be significant and will include an increased pool of talented workers, improved outreach to low-income students, and more basic and applied research to help solve Kentucky's problems in areas such as energy and health.
- This budget recommendation seeks a balance between maintenance of ongoing operations (60 percent of new funds) and targeted strategic funding that invests in statewide needs such as developmental education, research, access, degree production, and other statewide priorities (40 percent of new funds).
- The request also reflects the Council's commitment to moderate tuition growth. Ten years ago the state/student share of support for postsecondary education was 2/3 state and 1/3 student. The balance has now shifted to about 50/50. The Council's current budget recommendation, which requests a proportionately larger General Fund appropriation, will slow this trend to preserve a more affordable, accessible system.
- The Council's 2008-10 capital budget recommendation builds on Kentucky's statewide facilities study and includes debt service to support \$800 million in General Fund projects. Priority capital areas include \$90 million to start addressing the backlog of major campus systems that need repair, \$162 million in major renovations, \$312 million in new academic buildings, \$185 million in new research facilities, and \$50 million in information technology projects.



# Double the Numbers degree fund

## Purpose

To reach the national average in bachelor's degree attainment, Kentucky needs nearly 800,000 bachelor's degree holders by 2020. In 2000, there were 400,000.

Kentucky's postsecondary system, though improving, is hindered by low student retention and graduation rates, due in part to students' lack of preparation for college-level work and rising financial pressures. In the past, the Council's funding model has rewarded institutions for high enrollment (an input), with little or no consequence for low graduation rates (an outcome). Neither the state nor the student benefits from this arrangement.

The Double the Numbers degree fund will increase Kentucky's educational attainment by providing institutions with a direct financial incentive to produce more degrees. This initiative is perhaps the most significant innovation to date in the way the Council funds postsecondary institutions.

## Proposal

The Council requests \$5 million in 2008-09 and \$15 million in 2009-10 for the Double the Numbers degree fund.

## How it works

In the first year, public four-year universities will receive \$5,000 for each additional bachelor's degree produced and \$1,250 for each additional degree produced in four priority areas (degrees from STEM majors, KCTCS transfers, minority students, and students who take developmental education courses). KCTCS will receive \$2,500 for each

additional associate degree produced and \$625 for each additional priority degree or transfer to a four-year university.

In the second year, these amounts will increase to \$15,000 per each additional bachelor's degree and \$3,750 per each additional priority degree for the four-year universities. KCTCS will receive \$7,500 and \$1,875 per each additional associate and priority degree, respectively.

Rewards will be calculated by averaging the most recent two years of performance data and comparing this to the average of two baseline years. In 2008-09, the base year will be the average of 2005-06 and 2006-07, and the performance year the average of 2006-07 and 2007-08. In 2009-10, the base year will be the average of 2006-07 and 2007-08, and the performance year will be an average of 2007-08 and 2008-09.

## Highlights

- New funding of \$5 million in 2008-09 and an additional \$15 million in 2009-10.
- Provides bonus funds for degrees from STEM majors, KCTCS transfers, minority students, and students who take developmental education courses.
- Promotes greater degree production with current resources and builds upon postsecondary education's accountability system.



# Developmental education fund

## Purpose

Kentucky shares the national challenge to improve the success rates of underprepared students admitted to postsecondary institutions. More than half of the first-year students entering Kentucky's colleges and universities are underprepared in at least one subject. Research shows that these students drop out of college at twice the rate of prepared students.

The developmental education fund supports program redesign, staffing, and additional infrastructure needed to improve the success rates of developmental education students at Kentucky's public postsecondary institutions.

## Proposal

The Council requests \$500,000 for each of the public four-year institutions and \$1.5 million for KCTCS in 2008-09 to enhance the infrastructure needed to improve the success of developmental education students.

The Council requests an additional \$3 million in 2009-10 to be divided among the public institutions based on the

number of first-year developmental education students at each institution and their level of preparedness. Additional performance funds for developmental education are built into the Double the Numbers degree fund.

The Council also requests \$1.8 million to support statewide strategies to implement other recommendations of the Kentucky Developmental Education Task Force, including improved teacher preparation, professional development, and early student intervention strategies.

## How it works

These funds will be allocated to public postsecondary education institutions upon a Council-approved plan that outlines proposed improvements in developmental education programs, including short-term outcomes to measure student success (persistence rates, graduation rates, average credit hours passed, etc.). General guidelines for the plans will be presented to the Council in winter 2008.

## Measuring success

Per the Council's accountability system, institutional outcomes will be reviewed by the Council annually and reported to the Interim Joint Committee on Appropriations and Revenue, the Interim Joint Committee on Education, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission. This process will provide an opportunity to assess progress for the intended strategic investment and will determine future funding.

## Highlights

- **New funding of \$7.3 million in 2008-09 and an additional \$3 million in 2009-10.**
- **Funds will support institutional efforts to better serve underprepared college students and statewide efforts to improve teacher preparation and development.**





# Statewide priorities fund

## Purpose

The purpose of this program is to support statewide priorities addressed in board-approved institutional business plans, the Council's Double the Numbers Plan, and the Public Agenda for Postsecondary and Adult Education.

The program will provide institutions with a source of recurring funding targeted to specific statewide needs. Areas of strategic interest are:

- Research support
- Regional stewardship
- Workforce development
- Transfer
- STEM
- College outreach and extension
- Graduate education
- Academic quality
- Student and faculty diversity
- Support and access for adult learners

## How it works

If approved, a total of \$15 million will be appropriated to the public postsecondary institutions in 2008-09, with an additional \$10 million in 2009-10.

Funding will be distributed to institutions based upon their proportionate share of total public funds (General Fund appropriations minus mandated programs and debt service plus tuition and fee revenue).

Institutions must submit plans to the Council outlining use of funds and outcome measures. Draft guidelines for the plans will be presented to the Council in winter 2008.

## Measuring success

Institutional outcomes will be reviewed by the Council annually and reported to the Interim Joint Committee on Appropriations and Revenue, the Interim Joint Committee on Education, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission.

This process will provide an opportunity to assess satisfactory progress for the intended strategic investment and will determine future funding.

## Highlights

- **New funding of \$15 million in 2008-09 and an additional \$10 million in 2009-10.**
- **Funds will target some of the state's most pressing needs, such as producing more STEM graduates, increasing two- to four-year transfers, and providing support for nontraditional adult college students.**



# Bucks for Brains

## Purpose

Kentucky's Endowment Match Program, commonly referred to as "Bucks for Brains," encourages private investment in public postsecondary education to stimulate business development, generate increases in externally sponsored research, promote institutional excellence, and create better jobs and a higher standard of living.

The program matches public money with private gifts to fund endowed chairs, professorships, research staffs and infrastructure, fellowships and scholarships, and mission support at the public universities.

## Past support

The Endowment Match Program was funded through surplus General Fund appropriations of \$110 million in 1998-99 and \$120 million in 2000-01.

The legislature debt-funded another \$120 million for the program in 2002-03. The legislature has not provided additional funding for the program since the 2002-04 biennium.

State funds for the program are appropriated to the Research Challenge Trust Fund for the research institutions and the Regional University Excellence Trust Fund for the comprehensive institutions. These trust funds were created with the passage of the *Kentucky Postsecondary Education Improvement Act of 1997*.

## Proposal

The Council requests a \$200 million debt-funded investment in the Endowment Match Program to be authorized in the 2008-10 biennium.

Under the proposed expansion, 75 percent of the funding (\$150 million) will be appropriated to the Research Challenge Trust Fund for Kentucky's two research institutions. UK will receive \$100 million and UofL will receive \$50 million, preserving the 2-to-1 ratio built into the statutory law for this particular trust fund.

The remaining 25 percent of the funding (\$50 million) will be split between the Regional University Excellence Trust Fund (\$40 million) and the Workforce Development Trust Fund (\$10 million) in support of mission-specific programs at Kentucky's six comprehensive universities and 16 community and technical colleges. All funding must be matched with private donations and will be invested in the endowments of the respective institutions.

## Highlights

- Fourth round of funding of \$200 million over the biennium.
- All funding must be matched with private donations and will be invested in the endowments of the institutions.
- Strengthens academic quality and economic development by attracting the best and brightest faculty to Kentucky.

## The Return on Investment: 10 Years of the Bucks for Brains Program\*

(dollars in millions)

Indicator	1997	2000	2003	2004	2005	2006
Annual giving	\$87.7	\$92.5	\$87.6	\$97.1	\$119.4	\$128.6
Endowment market value	\$447.4	\$823.9	\$887.5	\$1,081.4	\$1,184.4	\$1,465.4
Endowed chairs	53	125	164	178	190	199
Endowed professorships	49	136	201	211	218	256
Federal R&D expenditures	\$75.6	\$91.6	\$159.9	\$184.4	\$209.9	\$221.7
Extramural R&D expenditures	\$105.2	\$147.1	\$249.5	\$284.4	\$309.7	\$327.4
Invention disclosures received	70	94	92	141	142	157
New patent applications filed	33	50	52	73	86	43
Licenses & options executed	6	16	17	15	21	31
Active licenses & options	59	67	77	86	116	142
Start-up companies formed	0	6	2	6	7	11

\*Combined UK & UofL data only; based on the Association of University Technology Managers Annual Survey (AUTM)

### Program objectives

- To attract private contributions to Kentucky's public institutions by encouraging a long-term planning approach to be phased over multiple biennia.
- To ensure a balance in the Council's overall budget request between "quantity" (Double the Numbers focus) and "quality" in campus faculty and programs.
- To offset the emphasis in the Council's budget recommendation on General Fund cash appropriations with a prudent bond-funded program.
- To balance the stabilizing effects and benefits of increased endowments among all of Kentucky's public institutions, including its research and comprehensive universities and community and technical colleges.

### How it works

The Council, in consultation with the campuses, establishes the areas of concentration within which program funds are used, develops guidelines for the distribution of program funds, and reviews reports from the institutions on the use of funds and the results achieved.

The public university boards of trustees and boards of regents review and approve all donations, gifts, and pledges used to establish new endowments or expand existing endowments, for which matching state funds will be requested. Documentation of board approval must be submitted with each endowment request.

### Measuring success

As the chart above illustrates, the Bucks for Brains program has been highly successful in increasing annual giving, endowment market value, and federal and extramural R&D expenditures at Kentucky's research universities.

Institutional outcomes will be reviewed by the Council annually and reported to the Interim Joint Committee on Appropriations and Revenue, the Interim Joint Committee on Education, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission.



# KCTCS access initiative

## Purpose

As college costs continue to rise, maintaining college access and affordability will help more Kentuckians earn bachelor's degrees. Ensuring community and technical colleges remain affordable is vital. It is also important to encourage student transfer, strengthen the P-16 education pipeline, increase the diversity of the college-going population, and raise awareness of the importance of earning a degree.

## Proposal

To preserve the role of KCTCS as an affordable, accessible entry point into postsecondary education, the Council requests \$7.5 million in 2008-09 and an additional \$7.5 million in 2009-10 to defray the operations and instructional expenses during a freeze on KCTCS tuition increases.

## How it works

These funds will be allocated to KCTCS upon a Council-accepted plan that outlines how the additional state investment will support access initiatives at KCTCS

including desired short-term outcomes (new enrollments, increased persistence rates, student transfers, etc.). The Council expects a portion of these funds to be used for additional need-based student financial aid and transfer scholarships. General guidelines for the plan will be presented to the Council in winter 2008.

## Measuring success

The Council will annually review KCTCS costs and outcomes and report progress to the General Assembly. This process will assess progress and determine whether to request an increase in KCTCS base General Fund appropriations in the following biennium or designate an amount appropriated to the Council for further monitoring.

## Other statewide college access initiatives

The Council also recommends:

- \$3 million to support the college access outreach and extension initiatives that provide motivational, streamlined, and relevant financial aid and college-going information to key audiences.
- \$1.5 million to support expanded transfer strategies and resources.
- \$1.5 million to provide staff for local P-16 councils that support local initiatives to increase college access in their communities.
- \$300,000 to support diversity planning efforts to ensure equitable college access for all Kentuckians.

## Highlights

- New funding of \$7.5 million in 2008-09 and an additional \$7.5 million in 2009-10.
- Maintains affordability and preserves the role of KCTCS as an accessible entry point into postsecondary education.
- Invested funds will support access initiatives, and outcomes will be monitored and reported.





# Maintenance of ongoing operations

## Purpose

An adequate level of base funding must be maintained to ensure students have uninterrupted access to core programs and services at an affordable price. The request addresses inflationary cost increases such as utility expenses, adjustments in employee salaries and benefits, and changes in contract costs. Without funding to cover maintenance of ongoing operations, inflationary pressures may force institutions to cut essential programs or personnel or raise revenue through tuition and fee increases.

## Proposal

The Council seeks:

- A net General Fund increase of \$49 million in 2008-09 and an additional \$57 million in 2009-10 for institutions.
- An increase of \$1.6 million in 2008-09 and an additional \$.6 million in 2009-10 for operations of the Council and the Kentucky Virtual Campus and Library.
- An increase of \$2 million in 2008-09 and an additional \$2 million in 2009-10 for Kentucky Adult Education.

## How it works

For the institutions, requested funds support:

- Inflationary increases of 3.3 percent on the net operating funds of each institution, in line with the Higher Education Cost Adjustment (HECA), an industry standard.
- The maintenance, renovation, and repair of existing buildings, equipment, and infrastructure, which requires institutional matching funds.
- The maintenance of new facilities coming online, including custodial and utility costs.
- Base adjustments to reflect changes in debt service on existing education and general debt.

- An appropriation for indigent care provided by the UofL Hospital, with base adjustments to reflect changes in contract costs.
- The transfer of appropriations from Council trust funds (Research Support, Regional Stewardship, and Workforce Development) to the institutions' recurring base operations.

For the Council, requested funds support mandatory adjustments in salaries and benefits, as well as three new agency staff support positions, two positions to implement a new data warehouse, and modest increases in the areas of communications and technology.

For Kentucky Adult Education, requested funds support and enhance local programs in each county, which are awarded through a competitive grant process. These programs provide adults functioning below a 12th-grade level with GED preparation, job readiness, basic literacy and workplace skills, family literacy, and English as a Second Language instruction.

## Highlights

- Includes inflationary increases of 3.3 percent on the net operating funds of each institution.
- Supports continued operation of the Council, Kentucky Virtual Campus and Library, and Kentucky Adult Education.
- Ensures students have uninterrupted access to core programs and services at an affordable price.





# Capital projects

## Purpose

As Kentucky seeks to Double the Number of college graduates in the state, campus facilities must be adequate to support the increased enrollment that will result. To better understand the current condition of campus facilities, the Council and institutions commissioned a statewide facilities study by VFA, Inc., of Boston. The study assessed over 700 campus buildings and found a number of buildings that no longer adequately support their intended use along with a need to add new capacity. This budget recommendation uses these study findings to address both short- and long-term capital needs.

## Proposal

The Council requests approximately \$800 million in state bonds to address the maintenance and renovation of existing facilities and the construction of new facilities.

## How it works

The Council requests \$90 million in state bonds to fund the capital renewal, maintenance, and infrastructure pool to replace or upgrade building systems (i.e., plumbing,

electrical, HVAC, etc.). This is the first installment to begin addressing approximately \$5.3 billion of deferred capital renewal identified by the VFA study. Institutions will receive funding based on their proportionate share of education and general (E&G) space included in the facilities study.

The Council also recommends \$161.8 million of state bonds for space adequacy and renovations to ensure building space sufficiently serves current and future needs. The combination of state bonds and institutional funds will address \$191 million of renovation projects supported by the VFA study.

The Council recommends \$497.9 million of state bonds to construct new space. The combination of state bonds and institutional funds will address \$574.1 million of new capacity to support Kentucky's Double the Numbers Plan and the expansion of research and economic development. Funds for new and expanded E&G facilities and postsecondary education centers are requested in the amount of \$312.9 million, and research and economic development projects requested total \$185 million.

## Highlights

- State bonds of \$800 million to renovate existing structures and construct new facilities.
- Recommendations based on findings of statewide facilities study address short- and long-term needs.
- Ensures campuses have capacity to support research needs and accommodate increased enrollment that will result from Kentucky's Double the Numbers initiative.

The Council seeks \$50 million for an information technology initiative pool to enhance technology capabilities and replace and "refresh" technology and equipment in the postsecondary education system. Institutions will receive \$40 million to support eligible information technology projects that further Kentucky's goal to Double the Numbers. The remaining \$10 million will support statewide technology initiatives, including eligible projects of the Kentucky Virtual Campus and Library.



# STEM initiatives

## Purpose

The United States is facing a serious decline in the number of students pursuing science, technology, engineering, and mathematics (STEM) careers. Unless this trend is reversed, the economy will suffer, national security will be at risk, and Americans will experience a lower standard of living than ever before. The crisis is even more acute in Kentucky, which trails the nation in the number of scientists and engineers as a percentage of the workforce, the number of STEM degrees awarded, and the percent of jobs considered high-tech.

## Proposal

The Council requests approximately \$10 million in 2008-09 and recurring in 2009-10 for initiatives to increase the production of STEM graduates.

## How it works

Approximately \$5 million of the STEM initiatives funds will be allocated to implement the recommendations of the STEM Task Force, convened in 2006 and 2007 and chaired by University of Kentucky President Lee Todd. The recommendations are focused on improving the way STEM subjects are taught, learned, and assessed from pre-school through college; creating more incentives for students to pursue STEM fields; increasing business and industry involvement; and targeting energy sustainability problems and opportunities unique to Kentucky.

In addition, \$1.45 million each year will support Kentucky's continued involvement in the highly successful, model initiative of Project Lead the Way, a nonprofit organization that provides a four-year, pre-engineering sequence for

high school students interested in becoming engineers. With proposed funding from the Kentucky Department of Education and a commitment of resources from school districts, the Council will work with KDE to develop a cadre of up to 80 participating schools.

Approximately \$3.5 million of the STEM initiatives funds will support a number of New Economy initiatives aimed at building a viable, knowledge-based, entrepreneurial economy in Kentucky. These include funds for the Kentucky Science and Engineering Foundation, commercialization, the Kentucky Enterprise Fund, Kentucky EPSCoR, and the Kentucky Satellite Project (KySat). All of these initiatives, with the exception of KySat, have existed for more than six years and are experiencing financial pressures that exceed initial appropriation levels.

## Highlights

- New funds of \$10 million in 2008-09 and recurring in 2009-10.
- Funds will support the implementation of the recommendations of the Council's STEM Task Force.
- Accelerates Kentucky's efforts to improve performance and increase the number of STEM graduates.



# Information technology initiatives

## Purpose

Postsecondary education is dependent on a solid technology infrastructure for the transmission of information. As technology continues to transform teaching and learning in and out of the classroom, institutions are becoming increasingly dependent on high-performance networks capable of reliably moving and sharing vast amounts of data.

## Proposal

The Council requests \$2.5 million in 2008-09 and recurring in 2009-10 for three initiatives to innovate and educate through technology.

## How it works

The Kentucky Postsecondary Education Network (KPEN), a network specifically designed for postsecondary education and research requirements and applications, will receive \$1.2 million. KPEN accommodates high-demand, high-performance Internet and Internet2 student and faculty users and provides an easy mechanism for expansion of network services. KPEN is a part of the new K-20 network, the Kentucky Education Network (KEN),

which connects all postsecondary, K-12, workforce, and library locations. Through KEN, Kentucky became the 34th state to connect the entire K-20 education community to Internet2, a high bandwidth national network dedicated to education and research. Requested funds will allow for expanded KPEN bandwidth for postsecondary education institutions, enhancing the ability of both postsecondary and K-12 institutions to use Internet and Internet2 applications.

The Kentucky Virtual Library will receive \$450,000 to support continued access to electronic databases. As one of its many services, KYVL offers Kentucky citizens free access to over 43 licensed indexing, abstract, and full-text databases. Last year alone, over 22 million database searches were performed. Through the existence of KYVL and the leveraging of negotiated statewide contracts, KYVL partners save \$10 million annually. These requested funds will support inflationary pressures on KYVL's electronic databases to continue to provide Kentuckians free access to these valuable resources.

To allow teachers and faculty to share standards-based digital content to improve their courses, \$900,000 will support the creation of the Kentucky K-20 Learning Content Repository. As networked learning becomes the norm, Kentucky teachers and faculty need to redesign course content to provide learning anytime, anywhere. Currently, teachers and faculty are building or licensing learning content as needed, but there is no structure for them to share content. The sharing of content eliminates duplication of effort, reduces costs, leverages investments, enhances the quality of digital content, and improves teaching and learning.

## Highlights

- New funds of \$2.7 million in 2008-09 and recurring in 2009-10.
- Supports the ever-growing need for reliable technology and expanded networks to support teaching and research.



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# Eastern Kentucky University

Located in Richmond, Eastern Kentucky University serves 15,763 students and employs 650 full-time faculty and 1,594 full-time staff. To support Kentucky's goal to Double the Numbers, ECU is committed to increase bachelor's degrees from 1,979 in 2007 to 3,397 in 2020.



Dr. Doug Whitlock  
President

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for ECU provides \$2.1 million in 2008-09 and an additional \$2.8 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as regional stewardship, transfer, diversity, academic quality, adult learners, and outreach).

Also in the Council's budget recommendation is \$41.6 million in state bonds for ECU's priority capital project, phase two of the science building.

## Budget Highlights

### The Council requests:

- \$87.2 million for ECU in 2008-09, an increase of 8.7 percent (\$7 million) over the prior year.
- \$92.1 million for ECU in 2009-10, an increase of 5.6 percent (\$4.9 million) over the prior year.
- \$257,500 in 2008-09 and an additional \$1.6 million estimated allocation for ECU from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to ECU over the biennium includes:

- \$9.4 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$41.6 million for phase two of the science building, ECU's priority capital project.
- \$8.5 million for the capital renewal, maintenance, and infrastructure pool.
- \$3.4 million for the information technology initiative pool.

Funds requested for ECU	2008-09	2009-10
<b>Operating funds</b>		
Base from prior year less debt service <sup>1</sup>	\$79,961,400	\$85,212,600
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$2,638,700	\$2,799,900
Base support for capital renewal	\$428,100	--
Maintenance & operation of new facilities	\$367,200	\$896,100
Double the Numbers strategic investments		
Developmental education	\$500,000	\$261,600
Statewide priorities	\$1,317,200	\$878,100
Degree production fund <sup>2</sup>	\$257,500	\$1,646,300
Requested net General Fund appropriation	\$85,212,600	\$90,048,300
Debt service	\$2,009,400	\$2,029,200
Requested total General Fund appropriation	\$87,222,000	\$92,077,500
<b>Additional funds</b>		
Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$9,449,500	

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.



# Kentucky State University



Dr. Mary Sias  
President

Located in Frankfort, Kentucky State University serves 2,500 students and employs 154 full-time faculty and 397 full-time staff. To support Kentucky's goal to Double the Numbers, KSU is committed to increase bachelor's degrees from 193 in 2007 to 542 in 2020.

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for KSU provides \$805,000 in 2008-09 and an additional \$531,800 in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as regional stewardship, transfer, diversity, academic quality, adult learners, and outreach).

Also in the Council's budget recommendation is \$15.2 million in state bonds for KSU's priority capital projects, including \$6.2 million for the expansion and renovation of the Betty White Nursing Building and \$9 million for a new business and technology center.



## Budget Highlights

### The Council requests:

- \$30.5 million for KSU in 2008-09, an increase of 7.5 percent (\$2.1 million) over the prior year.
- \$31.9 million for KSU in 2009-10, an increase of 4.6 percent (\$1.4 million) over the prior year.
- \$20,000 in 2008-09 and an additional \$258,800 estimated allocation from the Double the Numbers degree fund.<sup>1</sup>

### Additional revenue available to KSU over the biennium includes:

- \$2.5 million in matching dollars from the Bucks for Brains program.<sup>2</sup>

### Recommended capital projects (state bonds) include:

- \$6.2 million for the expansion and renovation of the Betty White Nursing Building.
- \$9 million for a new business and technology center.
- \$2.2 million for the capital renewal, maintenance, and infrastructure pool.
- \$1.4 million for the information technology initiative pool.

Funds requested for KSU	2008-09	2009-10
<b>Operating funds</b>		
Base from prior year less debt service <sup>1</sup>	\$27,651,300	\$29,559,600
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$912,500	\$972,300
Base support for capital renewal	\$115,700	--
Maintenance & operation of new facilities	\$ 95,100	\$155,400
Double the Numbers strategic investments		
Developmental education	\$500,000	\$82,800
Statewide priorities	\$285,000	\$190,200
Degree production fund <sup>2</sup>	\$20,000	\$258,800
Requested net General Fund appropriation	\$29,559,600	\$30,960,300
Debt service	\$909,900	\$908,900
Requested total General Fund appropriation	\$30,469,500	\$31,869,200
<b>Additional funds</b>		
Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$2,547,600	

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.



## Morehead State University

Located in Morehead, Morehead State University serves 9,025 students and employs 384 full-time faculty and 750 full-time staff. To support Kentucky's goal to Double the Numbers, MoSU is committed to increase bachelor's degrees from 1,072 in 2007 to 1,799 in 2020.



Dr. Wayne Andrews  
President

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for MoSU provides \$1.4 million in 2008-09 and an additional \$1.5 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as regional stewardship, transfer, diversity, academic quality, adult learners, and outreach).

Also in the Council's budget recommendation is \$35.6 million in state bonds for MoSU's priority capital projects, including \$26 million for phase three of the renovation and expansion of the Student Center and \$9.6 million for a new Space Science Center Star Theatre and Clean Room.

## Budget Highlights

### The Council requests:

- \$53 million for MoSU in 2008-09, an increase of 8.8 percent (\$4.3 million) over the prior year.
- \$55.6 million for MoSU in 2009-10, an increase of 5.1 percent (\$2.7 million) over the prior year.
- \$210,000 in 2008-09 and an additional \$772,500 estimated allocation from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to MoSU over the biennium includes:

- \$5.6 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$26 million for phase three of the renovation and expansion of the Student Center.
- \$9.6 million for a new Space Science Center Star Theatre and Clean Room.
- \$4.7 million for the capital renewal, maintenance, and infrastructure pool.
- \$2.5 million for the information technology initiative pool.

### Funds requested for MoSU

2008-09

2009-10

#### Operating funds

Base from prior year less debt service <sup>1</sup>	\$48,402,100	\$51,827,600
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$1,597,300	\$1,699,300
Base support for capital renewal	\$274,100	--
Maintenance & operation of new facilities	\$334,600	\$420,800
Double the Numbers strategic investments		
Developmental education	\$500,000	\$202,700
Statewide priorities	\$719,500	\$479,600
Degree production fund <sup>2</sup>	\$210,000	\$772,500
Requested net General Fund appropriation	\$51,827,600	\$54,630,000
Debt service	\$1,140,600	\$1,015,800
Requested total General Fund appropriation	\$52,968,200	\$55,645,800

#### Additional funds

Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$5,577,500
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1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.

# Murray State University



Dr. Randy Dunn  
President

Located in Murray, Murray State University serves 10,304 students and employs 403 full-time faculty and 948 full-time staff. To support Kentucky's goal to Double the Numbers, MuSU is committed to increase bachelor's degrees from 1,550 in 2007 to 2,834 in 2020.

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for MuSU provides \$1.8 million in 2008-09 and an additional \$1.9 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as regional stewardship, transfer, diversity, adult learners, and outreach).

Also included in the Council's budget recommendation is \$63.7 million in state bonds for MuSU's priority capital projects, including \$15 million for the final phase of the new science complex, \$23 million for a new Breathitt Veterinary Center, and \$25.7 million for the renovation of the Blackburn Science Building.



## Budget Highlights

### The Council requests:

- \$60 million for MuSU in 2008-09, an increase of 7.1 percent (\$4 million) over the prior year.
- \$63.4 million for MuSU in 2009-10, an increase of 5.6 percent (\$3.3 million) over the prior year.
- \$295,000 in 2008-09 and an additional \$1.2 million estimated allocation from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to MuSU over the biennium includes:

- \$6.3 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$15 million for the final phase of the new science complex.
- \$23 million for a new Breathitt Veterinary Center.
- \$25.7 million for the renovation of the Blackburn Science Building.
- \$7.4 million for the capital renewal, maintenance, and infrastructure pool.
- \$2.6 million for the information technology initiative pool.

### Funds requested for MuSU

2008-09

2009-10

#### Operating funds

Base from prior year less debt service<sup>1</sup> \$56,268,700 \$60,021,900

#### Maintenance of ongoing operations

Inflationary adjustment (3.3%) \$1,856,900 \$1,979,000

Base support for capital renewal \$379,000 --

Maintenance & operation of new facilities \$53,100 \$642,400

#### Double the Numbers strategic investments

Developmental education \$500,000 \$85,500

Statewide priorities \$964,200 \$642,800

Degree production fund<sup>2</sup> \$295,000 \$1,218,800

Requested net General Fund appropriation \$60,021,900 \$63,371,600

Debt service \$0 \$0

Requested total General Fund appropriation \$60,021,900 \$63,371,600

#### Additional funds

Bucks for Brains (Endowment Match Program)<sup>3</sup> \$6,323,300

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.



## Northern Kentucky University

Located in Highland Heights, Northern Kentucky University serves 14,638 students and employs 579 full-time faculty and 813 full-time staff. To support Kentucky's goal to Double the Numbers, NKU is committed to increase bachelor's degrees from 1,624 in 2007 to 3,149 in 2020.



Dr. James Votruba  
President

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for NKU provides \$1.9 million in 2008-09 and an additional \$2.3 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as regional stewardship, transfer, academic quality, diversity, adult learners, and outreach).

Also included in the Council's budget recommendation is \$71.2 million in state bonds for NKU's priority capital projects, including \$27.5 million for the renovation of the Science Building and \$43.7 million for a new Health Innovation Center.

## Budget Highlights

### The Council requests:

- \$63.5 million for NKU in 2008-09, an increase of 14.9 percent (\$8.2 million) over the prior year.
- \$69.4 million for NKU in 2009-10, an increase of 9.2 percent (\$5.8 million) over the prior year.
- \$311,300 in 2008-09 and \$1,282,500 in 2009-10 estimated allocation from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to NKU over the biennium includes:

- \$6.4 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$27.5 million for the renovation of the Science Building.
- \$43.7 million for a new Health Innovation Center.
- \$4.7 million for the capital renewal, maintenance, and infrastructure pool.
- \$2.9 million for the information technology initiative pool.

Funds requested for NKU	2008-09	2009-10
<b>Operating funds</b>		
Base from prior year less debt service <sup>1</sup>	\$55,599,500	\$60,940,700
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$1,834,800	\$1,954,800
Base support for capital renewal	\$213,300	--
Maintenance & operation of new facilities	\$1,704,700	\$2,913,200
Double the Numbers strategic investments		
Developmental education	\$500,000	\$246,200
Statewide priorities	\$1,088,400	\$725,600
Degree production fund <sup>2</sup>	\$311,300	\$1,282,500
Requested net General Fund appropriation	\$60,940,700	\$66,780,500
Debt service	\$2,608,500	\$2,618,000
Requested total General Fund appropriation	\$63,549,200	\$69,398,500
<b>Additional funds</b>		
Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$6,350,000	

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.



# Western Kentucky University



Dr. Gary Ransdell  
President

Located in Bowling Green, Western Kentucky University serves 18,664 students and employs 726 full-time faculty and 1,309 full-time staff. To support Kentucky's goal to Double the Numbers, WKU is committed to increase bachelor's degrees from 2,383 in 2007 to 4,324 in 2020.

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for WKU provides \$2.5 million in 2008-09 and an additional \$3.3 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as regional stewardship, transfer, diversity, academic quality, graduate education, and outreach).

Also included in the Council's budget recommendation is \$70.7 million in state bonds for WKU's priority capital projects, including \$24 million for the phase three renovation of the Science Campus, \$28 million for a new Central Region Postsecondary Education Center (a joint project with KCTCS), \$4.6 million for phase two construction of a Materials Characterization Center, and \$14.1 million for the Owensboro Technical and Postsecondary Education Center (joint project with KCTCS).



## Budget Highlights

### The Council requests:

- \$93.4 million for WKU in 2008-09, an increase of 8.1 percent (\$7 million) over the prior year.
- \$98.4 million for WKU in 2009-10, an increase of 5.4 percent (\$5 million) over the prior year.
- \$503,800 in 2008-09 and an additional \$1.9 million estimated allocation from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to WKU over the biennium includes:

- \$9.8 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$24 million for the phase three renovation of the Science Campus.
- \$28 million for a new Central Region Postsecondary Education Center (joint project with KCTCS).
- \$4.6 million for phase two construction of a Materials Characterization Center.
- \$14.1 million for the OTPEC (joint program with KCTCS).
- \$5.6 million for the capital renewal, maintenance, and infrastructure pool.
- \$3.8 million for the information technology initiative pool.

Funds requested for WKU	2008-09	2009-10
<b>Operating funds</b>		
Base from prior year less debt service <sup>1</sup>	\$85,690,600	\$91,690,100
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$2,827,800	\$2,999,800
Base support for capital renewal	\$351,700	--
Maintenance & operation of new facilities	\$786,200	\$334,000
Double the Numbers strategic investments		
Developmental education	\$500,000	\$368,400
Statewide priorities	\$1,533,800	\$1,022,500
Degree production fund <sup>2</sup>	\$503,800	\$1,890,000
Requested net General Fund appropriation	\$91,690,100	\$96,414,800
Debt service	\$1,670,000	\$1,958,100
Requested total General Fund appropriation	\$93,360,100	\$98,372,900
<b>Additional funds</b>		
Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$9,752,100	

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.





## University of Kentucky

Located in Lexington, the University of Kentucky serves 27,209 students and employs 1,965 full-time faculty and 9,254 full-time staff. To support Kentucky's goal to Double the Numbers, UK is committed to increase bachelor's degrees from 3,613 in 2007 to 6,349 in 2020.



Dr. Lee Todd  
President

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for UK provides \$4.9 million in 2008-09 and an additional \$5.6 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as research, academic quality, graduate education, regional stewardship, transfer, diversity, and outreach).

Also included in the Council's budget recommendation is \$204.5 million in state bonds for UK's priority capital projects, including \$67.5 million for a new Gatton Building Complex, \$117 million for a new Science Research Building, and \$20 million for the second phase expansion and upgrade of the Livestock Disease Diagnostic Center.

## Budget Highlights

### The Council requests:

- \$359.5 million for UK in 2008-09, an increase of 6.7 percent (\$22.5 million) over the prior year.
- \$375.4 million for UK in 2009-10, an increase of 4.4 percent (\$15.9 million) over the prior year.
- \$655,000 in 2008-09 and \$3 million in 2009-10 estimated allocation from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to UK over the biennium includes:

- \$100 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$67.5 million for a new Gatton Building Complex.
- \$117 million for a new Science Research Building.
- \$20 million for phase two of an expansion/upgrade of the Livestock Disease Diagnostic Center.
- \$26.2 million for the capital renewal, maintenance, and infrastructure pool.
- \$9.3 million for the information technology initiative pool.

Funds requested for UK	2008-09	2009-10
<b>Operating funds</b>		
Base from prior year less debt service <sup>1</sup>	\$337,321,000	\$354,895,700
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$11,131,600	\$11,685,100
Base support for capital renewal	\$1,400,500	--
Maintenance & operation of new facilities	\$802,200	\$1,588,500
Double the Numbers strategic investments		
Developmental education	\$500,000	\$67,500
Statewide priorities	\$3,740,400	\$2,493,600
Degree production fund <sup>2</sup>	\$655,000	\$3,007,500
Requested net General Fund appropriation	\$354,895,700	\$370,730,400
Debt service	\$4,649,100	\$4,682,400
Requested total General Fund appropriation	\$359,544,800	\$375,412,800
<b>Additional funds</b>		
Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$100,000,000	

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.

# University of Louisville



Dr. James Ramsey  
President

Located in Louisville, the University of Louisville serves 21,841 students and employs 1,485 full-time faculty and 3,345 full-time staff. To support Kentucky's goal to Double the Numbers, UofL is committed to increase bachelor's degrees from 2,328 in 2007 to 3,043 in 2020.

In addition to funds needed for the maintenance of ongoing operations, the Council's budget recommendation for UofL provides \$3.5 million in 2008-09 and an additional \$3.1 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as research, academic quality, graduate education, regional stewardship, transfer, diversity, and outreach).

Also included in the Council's budget recommendation is \$109 million in state bonds for UofL's priority capital projects, including \$30 million for the renovation of the Life Sciences Building, \$58.5 million for a new Belknap Classroom/Academic Building, and \$20.5 million for the phase four renovation of the Medical Dental Research Building.

Funds requested for UofL	2008-09	2009-10
<b>Operating funds</b>		
Base from prior year less debt service <sup>1</sup>	\$169,697,300	\$180,263,800
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$5,600,000	\$5,908,600
Base support for capital renewal	\$706,800	--
Maintenance & operation of new facilities	\$1,215,100	\$4,732,100
Double the Numbers strategic investments		
Developmental education	\$500,000	\$76,600
Statewide priorities	\$2,544,600	\$1,696,400
Degree production fund <sup>2</sup>	\$502,500	\$1,278,800
Requested net General Fund appropriation	\$180,263,800	\$192,677,500
Debt service & UofL Hospital contract	\$27,343,500	\$27,552,800
Requested total General Fund appropriation	\$207,607,300	\$220,230,300
<b>Additional funds</b>		
Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$50,000,000	

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.



## Budget Highlights

### The Council requests:

- \$207.6 million for UofL in 2008-09, an increase of 8.5 percent (\$16.3 million) over the prior year.
- \$220.2 million for UofL in 2009-10, an increase of 6.1 percent (\$12.6 million) over the prior year.
- \$502,500 in 2008-09 and an additional \$1.3 million in 2009-10 estimated allocation from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to UofL over the biennium includes:

- \$50 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$30 million for the renovation of the Life Sciences Building.
- \$58.5 million for a new Belknap Classroom/Academic Building.
- \$20.5 million for the phase four renovation of the Medical Dental Research Building.
- \$13.6 million for the capital renewal, maintenance, and infrastructure pool.
- \$7.5 million for the information technology initiative pool.



# Kentucky Community and Technical College System



Dr. Michael McCall  
President

With 16 colleges and 65 campuses across the state, the KCTCS serves 86,475 students and employs 1,920 full-time faculty and 2,411 full-time staff. To support Kentucky's Double the Numbers goal, KCTCS is committed to enrolling more students and increasing the number of students transferring to four-year programs to 11,334 in 2020.

## Budget Highlights

### The Council requests:

- \$253.1 million for KCTCS in 2008-09, an increase of 10.6 percent (\$24.3 million) over the prior year.
- \$279 million for KCTCS in 2009-10, an increase of 10.2 percent (\$25.9 million) over the prior year.
- \$1.1 million in 2008-09 and an additional \$2.8 million in 2009-10 estimated allocation from the Double the Numbers degree fund.<sup>2</sup>

### Additional revenue available to KCTCS over the biennium includes:

- \$10 million in matching dollars from the Bucks for Brains program.<sup>3</sup>

### Recommended capital projects (state bonds) include:

- \$28.6 million for the renovation of the Jefferson Community and Technical College downtown campus.
- \$14.1 million for the Owensboro Technical and Postsecondary Education Center.
- \$19.8 million for an advanced manufacturing facility at Bluegrass Community and Technical College.
- \$28 million for a new Central Region Postsecondary Education Center (joint project with WKU).
- \$17.3 million for the capital renewal, maintenance, and infrastructure pool.
- \$6.5 million for the information technology initiative pool.

In addition to funds needed for the maintenance of ongoing operations, the Council's budget request for KCTCS includes \$7.5 million in 2008-09 and an additional \$7.5 million in

2009-10 to defray costs during a tuition freeze over the biennium. The budget request also provides \$5.4 million in 2008-09 and an additional \$6.3 million in 2009-10 in three areas: degree production, developmental education, and strategic investment in statewide priorities (such as workforce development, transfer, diversity, and outreach).

Also in the Council's budget recommendation is \$90.4 million in state bonds for KCTCS's priority capital projects, including \$28.6 million for the renovation of the Jefferson Community and Technical College downtown campus, \$14.1 million for the Owensboro Technical and Postsecondary Education Center (joint project with WKU), \$19.8 million for an advanced manufacturing facility at Bluegrass Community and Technical College, and \$28 million for a new Central Region Postsecondary Education Center (joint project with WKU).

Funds requested for KCTCS	2008-09	2009-10
<b>Operating funds</b>		
Base from prior year less debt service <sup>1</sup>	\$229,904,900	\$253,051,300
Maintenance of ongoing operations		
Inflationary adjustment (3.3%)	\$7,586,900	\$8,264,200
Base support for capital renewal	\$1,130,800	--
Maintenance & operation of new facilities	\$2,621,800	\$6,683,500
Double the Numbers strategic investments		
Developmental education	\$1,500,000	\$1,608,700
Statewide priorities	\$2,806,900	\$1,871,200
Access - tuition freeze offset	\$7,500,000	\$7,500,000
Degree production fund <sup>2</sup>	\$1,100,600	\$2,831,300
Requested net General Fund appropriation	\$253,051,300	\$278,978,900
Debt service	\$0	\$0
Requested total General Fund appropriation	\$253,051,300	\$278,978,900
<b>Additional funds</b>		
Bucks for Brains (Endowment Match Program) <sup>3</sup>	\$10,000,000	

1. Includes transfer of trust fund and funding program allocations from CPE to institutions.

2. Estimate based upon achieving levels of performance needed to keep pace with 2020 projections.

3. Reflects institution's distribution of overall \$200 million request.

# The mission and membership of the Council

The Council on Postsecondary Education is Kentucky's statewide postsecondary education coordinating agency charged with leading the reform efforts envisioned by state policy leaders in the *Kentucky Postsecondary Education Improvement Act of 1997*. Council members are appointed by the Governor and include 13 citizens, one faculty member, and one student ; the Commissioner of Education is an ex-officio member.

The Council has multiple responsibilities to ensure a well-coordinated and efficient postsecondary and adult education system. Among its many responsibilities, the Council:

- Develops and implements a strategic agenda for postsecondary and adult education system that includes measures of educational attainment, effectiveness, and efficiency.
- Produces and submits a biennial budget request for adequate public funding of postsecondary education.
- Monitors and approves tuition rates and admission criteria at public postsecondary institutions.
- Defines and approves all academic programs at public institutions.
- Ensures the coordination and connectivity of technology among public institutions.
- Collects and distributes comprehensive data about postsecondary education performance.



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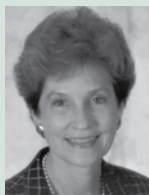
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